

INSTITUTE OF CONSUMER FINANCIAL EDUCATION



IDENTITY THEFT RISK MANAGEMENT SURVEY AND REPORT

August 2008

PREFACE

The purpose of this Report is to provide an objective analysis of participants in the marketplace of identity theft risk management programs.

Through a comprehensive Survey and extensive research of publicly available materials, the Institute of Consumer Financial Education (ICFE) has compiled this Report for consumers and for organizations that hold personally identifiable confidential information; they have a duty to protect.

It is important to note that individual consumers have different needs and capabilities, just as all holders of protected information do not face the same situation when a data breach occurs.

Accordingly, there is no single “best” provider for all purposes. Some plans are more comprehensive in their methods than others; some are more or less costly.

Broad-based monitoring of databases that include personally identifiable information is generally the most effective starting point for preventing identity theft. Early notification of potential incidents and prompt follow-up are also essential.

Restoration or recovery services may require little input from the consumer – or it may require the consumer to do practically all the work.

Some plans offer guarantees with varying degrees of ability to fulfill them. The most valuable of such guarantees are those in which the restoration services are carried out by specialized third party providers or in-house licensed investigators.

Contrary to a common misperception, identity theft risk management that stops with monitoring or freezing the credit report cannot prevent nearly half of the reported incidents of identity theft, including such types as employment fraud, medical and benefit theft, drivers license issuance, and even criminal activity done in the name of the victim.

There is little regulatory oversight at either State or federal level. Identity Theft prevention programs that exist only in cyberspace are completely unregulated, and are only limited by the enactment and enforcement of anti-fraud laws.

The consumer or other user of these services needs to have access to information to make the best decisions on which is best for the current need.

To this end, ICFE offers this feature-by-feature analysis and comparison of thirty of the most prominent identity theft risk management programs available in the market today, in a form that is intended to be most readable and useful to those who are most in need of such services.

Summary and Conclusions

Based on an extensive proprietary survey of providers of Identity Theft risk management services, and additional related research, this Report by ICFE provides a basis for both consumers and entities that hold protected confidential consumer information to make informed decisions on using such services.

The Body of the Report sets out in detail the Methodology and Implementation of the Survey and related Study of services available in the marketplace.

This Summary is an abstract of the Matrix of Providers which has greater detail, and is intended to serve as a guide for both consumers and holders of protected information in selecting the most appropriate and efficacious identity theft risk management program.

For Consumers:

It is important to understand the risk of becoming a victim of identity theft, so a good choice can be made. There are generally three types of programs that meet various needs:

- Broad-based monitoring and notification services
- Credit-report monitoring and “freeze” or “fraud alert” programs
- Restoration and Specialty programs (such as medical, employment, or criminal data)

Broad-based monitoring and notification

Based on the ICFE’s extensive research, the most effective means of preventing identity theft, and minimizing damage to the victim, is with a broad-based monitoring and notification service. These are the essential elements of such a service:

- Depth and breadth of databases monitored
- Immediate notification to the consumer of any anomalies
- Individualized risk assessment feature
- Means of predicting and stopping the misuse of personally identifiable information
- Restoration components can complete the safety net of coverage.

The Respondents in this category are:

- IdentityTruth
- IDSafeguards/IDExperts*
- Intersections/IdentityGuard
- ITRisk Managers
- SecureIDSystems/FNB Merchants

Broad-Based Providers					
	Identity Truth	ID Safeguards/ID Experts**	Intersections/ Identity Guard	ITRiskManagers	SecureIDSystems/ FNBMerchants
Data Bases Monitored	Breach information, Internet sites trading SSN, credit and personal data, and utility accounts	Real property records, criminal records, land & cellular phone records and vehicle ownership records	Public Records/Criminal	No	Utilities, dmv records, SSA, telco
Immediate Notification	Yes	Monthly	Yes	No	Yes
Risk Assessment	Yes	No	Yes	Self-Assess	Yes
Predictive Technology	Yes*	No	Activity Calculator	No	Pattern Changes
Restoration	Yes (RelyData)	Yes	Recovery Unit***	Yes****	Managed*****
Guarantee/Insurance	Both	Insurance	Insurance	Insurance	Insurance
Price	70-120/year Individual	Individual 139.95/year Family 269.95/year	60-216/year 39.95 One-Time add-on Many Addtl. Options	12-160/year	Individual 84/year Family 156/year
	*Proprietary technology allows prediction of possible identity fraud	**Formerly IDSafeguards, withdrew 3rd-party restoration service for LifeLock	***At 14.99/month	****2 Levels of Consumer Input Moderate Range	*****Substantial Consumer Input
Average Price for All Providers in All Categories is approximately \$108 per year					

Credit-report monitoring and “freeze” programs

It is a common misconception that all incidents of identity theft are financial in nature, and can be prevented or avoided by taking actions on consumer credit files. In fact, official statistics indicate that one-third to one-half of all cases reported to the Federal Trade Commission (FTC) are of types that do not appear in credit reports.

Nonetheless, consumer-oriented identity theft risk management programs that couple credit report-related actions with restoration services can be effective, though not necessarily fully preventive.

In order to accomplish their risk management mission, the essential features of these programs include:

- Continuous monitoring of credit reports, preferably in all three of the major credit reporting agencies
- Prompt notification to the covered party in the event of any reportable event
- Capability to impose a credit freeze or fraud alert on behalf of the covered party, upon determination that such an action is appropriate and effective
- Pro-active search of other databases in the event that a covered party becomes a victim of identity theft
- Restoration/recovery service for identity theft incidents that are outside the purview of the credit report, such as employment, benefit, medical, drivers licenses, or criminal activities committed using the identifying information of the covered party

The Respondents in this category are:

- Equifax
- Experian
- IdentityForce
- Kroll *
- LifeLock **
- TransUnion

Credit-Report Based Providers						
	Equifax	Experian	IdentityForce	Kroll	LifeLock	TransUnion
Data Bases Monitored	1 or 3 CRAs	1 or 3 CRAs	Public Records/Criminal	1 or 3 CRAs	No	1 or 3 CRAs
Immediate Notification	Yes	Yes	Yes	Yes	Yes	Yes
Risk Assessment	No	No	No	Self-Assess	Yes****	No
Freeze or Fraud Alert	By Request	By Request	By Request	By Request	Freeze	By Request
Restoration	Yes*	Yes**	Yes***	Yes***	Yes****	Yes*****
Guarantee/Insurance	Insurance	Insurance	Insurance	Insurance	1MM Guarantee	Insurance
Price	70-170/year	60-360/year	Basic 39.95/year Complete 139.95/year	156/year Numerous Configurations	Individual 110/year Child 25/year	180/year
	*Substantial Consumer Input	**Provided by RelyData	***Licensed Investigators	***Licensed Investigators	****No Staff Details, requires Substantial Consumer Input	*****Provided by TransUnion LLC
Average Price for All Providers in All Categories is approximately \$108 per year						

* Kroll also provides post-incident searches of other databases and restoration services.

** As of the date of the survey, this provider said they would expand to other databases, but as of the date of this Report, it does not appear to be in place; restoration services were formerly provided by IDSafeguards/IDExperts, but are now apparently in-house.

Restoration and Specialty programs

Providers that do not fit neatly into either of the above two categories are assigned to this specialty group. They include providers of proprietary programs, private label services, and restoration specialists. Key features of their services include:

- Information and monitoring of specialized databases, such as medical and criminal
- Restoration services only, based on insurance-premium type pricing scale
- Establishment of a Personal Identity Profile and monitoring of the elements of such individual profiles
- Direct expense reimbursement as an alternative to insurance
- Self-monitoring of selected databases, and proprietary systems for self-help by consumers

The Respondents in this category are:

- Fraud Prevention Institute
- ID Armor
- Intelius/ID Watch
- RelyData
- Truston

NOTE: To varying degrees, providers in other categories offer restoration services: ITRisk Managers, IDSafeguards/IDExperts, and Kroll.

Specialized Providers					
	Fraud Prevention Institute	ID Armor	Intelius/ID Watch	RelyData	Truston
Data Bases Monitored	Medical, Criminal	None	Proprietary Profile	All 3	Chex Systems Member Monitors Others
Immediate Notification	1 week	N/A	Yes	Yes	N/A
Risk Assessment	Yes	No	Profile Process	Yes - Actual Events	No
Freeze or Fraud Alert	N/A	N/A	N/A	By Request Only	No
Restoration	Yes	Yes*	No	Yes**	"Prescriptive Workflow"***
Guarantee/Insurance	No	No	Insurance	Expense Reimbursement	No
Price	Free	23.88/year	60-120/year based. on Term	Private Contract	Free-\$120/year
		* Minimal effort for Client		** Minimal effort for Client **Private Label for Numerous Providers & Organizations	***Substantial Consumer Input
***Also See Entries for Providers in Other Categories for Restoration Services: ITRisk Managers, IDSafeguards/IDExperts, & Kroll					
Average Price for All Providers in All Categories is approximately \$108 per year					

COMMENTS ON GUARANTEES AND INSURANCE

Guarantees

Several of the providers “guarantee” the effectiveness of their services in preventing identity theft. Like all guarantees, the value is no greater than the terms and conditions – and especially the limitations. In most cases, the “guarantee” provides for restoration services, but only if the incident of identity theft is a result of the failure of the underlying prevention program. The most valuable of such guarantees are those in which the restoration services are carried out by specialized third party providers or in-house licensed investigators.

Insurance

Several of the providers include an insurance component in their programs. The insurance feature typically covers reimbursement for out-of-pocket expenses incurred to restore the integrity of the victim’s identity; most include a “lost work time” provision with a cap of \$500 per week for 4 weeks. There are numerous limitations and conditions on the coverage. Deductibles range from zero to \$250, with a common maximum coverage amount of \$25,000.

Similar coverage is offered by many insurance companies as a rider to homeowners or renters insurance, at a nominal additional premium or even at no additional cost.

In general, ICFE believes that the inclusion of an insurance feature in an identity theft risk management programs is not a sufficient consideration to make it a better choice than a program without insurance.

ADDITIONAL CONSIDERATIONS FOR CONSUMERS IN MAKING DECISIONS

- Early discovery and notification of all types of identity theft-related incidents are paramount; most damage is done between time of the breach and the victim becoming aware of the problem
- Prompt action is required to minimize damages and to recover the integrity of the elements of the victim's identity
- Willingness to participate actively in the recovery and restoration process is an important consideration
- Make informed choices on the elements that are most important to the individual consumer -- and then act on them.

For Holders of Protected Information:

Typically, the decision to select a provider of identity theft risk management services occurs when the organization responsible for maintaining the confidentiality of protected consumer information has experienced a breach and must take action to prevent or minimize the damage to potential identity theft victims whose personally identifiable information has been inadvertently captured by or released to unauthorized parties.

Many of the considerations for selecting such a service are similar to those for the individual consumer in managing this risk. Of special importance is an assessment of the nature of the risk, based on the type of information that has been compromised and any available knowledge about the unauthorized party in possession of the information.

In this context, it is critical to realize that the expectation of the person whose information has been breached is not the determining factor about what choice should be made. If the breached information would give rise to the creation of false identity documents or perpetrating employment fraud, for instance, little effect would be accomplished by concentrating solely on prevention of new account fraud.

Of special interest in this regard is the national Identity Theft Standards Panel initiative^{*}

First, the breached entity, whether it be a business, public or government agency, non-profit organization, or other holder of protected information, must evaluate the nature of the information that has been breached and vulnerabilities of the individuals whose information has been compromised.

* The Identity Theft Prevention and ID Management Standards Panel (IDSP) organized by the American National Standards Institute (ANSI) and the national Better Business Bureau (BBB) continues to work toward the identification and adoption of standards for remediation in the event of a breach of confidentiality of personally identifiable information protected by law and regulation; ICFE has been an active participant in this process, and has advocated for the adoption of a standard under which the remediation steps closely reflect the nature and vulnerability of the breached information.

In general, there are two categories of such information:

- Financial information, such as the specifics that are present in credit reports.
- Non-Financial information, of the type that does not appear in credit reports, such as employment histories, salary specifics, drivers licenses, criminal records, medical information such as health histories and drug-related items, and would typically be information on employees and receivers of benefits.

Once the determination is made as to type of information and the kinds of vulnerability to which the individuals might be subjected, the decision on the appropriate risk management and damage control program to employ can be made.

Common provisions of such programs are similar to those offered to consumers; for this purpose, it is appropriate to incorporate by reference the Tables in the Consumer Section above.

Two important distinctions should be observed, based on needs of the parties:

- Consumers making a choice among the various risk management providers start from the assumption that their identities have not been compromised, and they have an open choice as to which features best fit their needs.
- Holders of protected information who have suffered a breach of confidentiality need to control various types of potential damage that can result from the breach; beyond the damage to the affected individuals, the damage to the enterprise can include loss of public confidence, loss of customer base, damage to employee loyalty and retention, and other adverse consequences to the organization.

One recent phenomenon that should be put into perspective is the claim that consumers will be satisfied if their expectations are met in response to a breach of their protected information. Unfortunately, the expectations of the consumer are often based on either unrealistically high standards or unreasonably low standards under which the actual vulnerability of the breached information is simply not taken into account.

It does not help to give the consumer a false sense of security that no harm can befall him or her from the breach of personal information, in circumstances where the prevention program does not have the required depth or breadth.

The most direct example would be the case in which the compromised information is of the Non-Financial variety mentioned above. Securing the credit files to prevent the opening of new accounts in the victim's name does nothing to protect against misuse of personal information to commit employment fraud, medical and benefit abuse, get a drivers license, or engage in criminal activity to the detriment of the victim.

ICFE's experience as well as information collected in the course of the Survey indicate that the per-person costs of obtaining identity theft risk management coverage for the benefit of those whose information is compromised are variable and subject to negotiation. It is notable that there are pricing break-points that can be applied to calculate upfront costs for a given number of individuals to have access to the program, and lesser per-activation charges payable at the time an individual actually enrolls.

STUDY AND REPORT

BACKGROUND

The ICFE's 2008 Identity Theft Risk Management Survey and the resulting Report originated in the educational and research activities of the Institute of Consumer Financial Education on the subject of Identity Theft.

ICFE has long taken a leadership role in education on credit report issues, and more recently in the area of identity theft, including active participation in a national exercise on setting standards in identity theft prevention and restoration.

On the first of these, ICFE has educated and certified thousands of individuals as Certified Credit Report Reviewers (CCRRTM); on the second, ICFE has performed a similar function for Certified Identity Theft Risk Management Specialists (CITRMS®).

ICFE was an early and deeply involved participant in the national Identity Theft Prevention and Identity Management Standards Panel (IDSP), a joint initiative of the American National Standards Institute (ANSI) and the national Better Business Bureau (BBB). In this capacity, ICFE concentrated on the area of standards for the Maintenance of Identity Data.♦

During the course of Phase I of IDSP, existing standards were inventoried, and gaps were identified in the areas of issuance, Transmission, and Maintenance of Identity Data.

Among the most important gaps, from ICFE's point of view, were those involving breaches – it is well known that there are breaches, and also that remediation actions are taken by the organization that suffers the breach (either voluntarily or pursuant to laws, which are predominantly defined by a patchwork of State-by-State laws).

More broadly, the statistics collected and reported by the Federal Trade Commission (FTC) as the national repository indicate that there are several types of Identity Theft that are most prominent -- see FTC current report on Consumer Fraud and Identity Theft Complaint Data at <http://www.ftc.gov/opa/2008/02/fraud.pdf>

Current risk management and remediation practices have concentrated on credit report monitoring, but the types of reported IDT events go far beyond what can be done by credit report monitoring alone.

♦ The Phase I IDSP Report is available online at www.ansi.org

By early 2008, it was apparent that major gaps in standards included the following:

- Comparison of IDT risk management programs
- Standards for determining the vulnerabilities caused by breaches
- Consistent standards for remediation in the event of a breach

Under the mission of ICFE, consumer education is complementary to education of holders of protected information. Accordingly, the Survey and Study were designed to provide a valuable body of information for both consumers and organizations with the responsibility to maintain the confidentiality of consumer information.

Based on this set of facts and circumstances, in early 2008 ICFE sought sponsorship for the Survey and Study. We are pleased to express our appreciation to IdentityTruth, of Waltham, MA, a leader in identity theft risk management, both for the funding to complete this initiative, and also for the continuing protection of the complete independence and objectivity of ICFE on which this initiative is founded.

METHODOLOGY

A fundamentally distinguishing aspect of this initiative is that it is based on information from the providers of the services, as distinct from surveys based on consumer satisfaction or perception. In reality, it is difficult if not impossible for consumers to evaluate the effectiveness of a given risk management or restoration service in a manner that can be applied directly to others. In a large proportion of reported cases of identity theft, the affected parties may not even know how the identity thief obtained or actually employed the information that was used.

Where possible, ICFE has sought information directly from the providers of identity theft risk management and restoration services. The Survey was designed to elicit information on a broad variety of features and implementation of the various programs available in the marketplace.

To assure maximum participation, follow-up invitations were sent directly with secure access instructions. In addition to collecting, analyzing, and evaluating the Survey information, publicly available information from many sources is also included in the Report. As a practical matter, not all of the providers responded to the Survey, yet they cannot appropriately be excluded from the Report.

Following is a summary of the Survey exercise that was administered through the online facility of SurveyMonkey.com, which was selected for its flexibility of design, security features, and analytical capability.

The Summary is divided into 2 parts:

- Questionnaire and Summary of Responses
- Participants.

QUESTIONNAIRE AND SUMMARY OF RESPONSES

The Questionnaire was designed to pose both specific and general questions and elicit substantive responses. With 135 questions, the information obtained goes beyond a simple compilation of numbers of specific answers. Many of the respondents included broad responses with subjective commentary. Beyond the market and program feature information, ICFE requested and received responses on which to make decisions on its future educational activities.

Respondent Information – Individual and Company Information

Credentials, Certifications, and Other Education - Respondent

Credit Report Monitoring & Preventive Services for Consumers

Approximately half of the Respondents monitor credit reports; about one-third use credit freezes or fraud alerts; others go beyond and cover non-financial databases and generate individualized profiles.

Monitoring Other Databases & Risk Assessment for Consumers

Approximately two-thirds monitor other databases; of those, half offer some form of risk assessment. Most of the risk assessment features, however, are “self-assessments” by the consumer. Three perform a calculation based on monitored activities; one uses a broad-based predictive model.

Reportable Events

These events tend to reflect the databases monitored, with heavy emphasis on credit reports; they do provide some basis for market differentiation and may indicate preference for use in specific applications, such as database breaches (employment, medical, and other non-financial information which may not show up in credit reports).

Notification of Event

Various means are used, from phone, e-mail, text messages, and even U. S. Mail; depending on the urgency of the notification, the means may provide a measure for choice of providers.

Restoration & Recovery Services for Consumers

More than half of the respondents report they offer some level of direct service providing, but several appear to utilize third party services to do so.

Restoration & Recovery Personnel

Based on Survey responses, there appears to be no uniform standard for training, certification, or background checks on such personnel; making this information available to consumers and holders of protected information may provide a basis for making appropriate choices

Services to Businesses and Other Holders of Protected Information

More than half of the respondents report that they offer some level of direct service providing, but several appear to utilize third party services to do so.

After-the-Fact Restoration & Recovery Services

Approximately half of the respondents report that they offer some level of direct service providing, but several appear to utilize third party services to do so.

Insurance Features

Only about one-third of the Respondents include an insurance feature in their programs; this is an area that appears to be developing, and will be covered in the non-Survey portion of the Report.

Pricing

As might be expected, there is no uniform pattern of pricing or coverage (individual v. household, for example); the majority of pricing plans is oriented toward a per-person structure. The overall annual average for all providers is approximately \$108.00, or about \$9.00 per month for the Individual plan.

Licensing and Regulation

ICFE included this section to glean information about the attitude toward requiring supervision of companies and individuals who are charged with the responsibility of handling sensitive information.

Education & Additional Resources

Recommendations & Suggestions

The last two sections were included for more general research purposes, and will be taken under consideration by ICFE in fulfilling its broader mission.

PARTICIPANTS

Based on the extensive experience and contacts of ICFE, including the ANSI-BBB Identity Theft Standards Panel (IDSP) participants, the major providers of identity theft risk management and restoration services were identified. ICFE then conducted an intensive internet search for providers of Identity Theft Related services. A total of 30 potential participants were invited to play a part.

In general, the participants fall into two categories, plus a “hybrid” of the two:

- Risk Management (“Prevention”)
- Restoration or Remediation
- Providers of Both Risk Management and Restoration/Remediation

Within these Categories, there are three types of services:

- Broad-based, which search many databases in addition to credit reports
- Credit Report Based – which include services of the “Big Three” credit reporting agencies
- Specialty Providers – such as Medical/Criminal/Profile databases

ICFE made diligent efforts to contact these providers and secure their agreement to participate in the Survey, with the further understanding that the Survey would be supplemented with other publicly available information on which to base the Report.

24 of the 30 potential providers did agree to participate.

For a variety of reasons, some known and some not known, only 18 of the providers did respond to the Survey invitation.

Of these, 15 fully or substantially completed the Survey. The others provided responses beyond the basic Respondent Information, but insufficient to tally in a meaningful manner.

While the Survey itself was conducted on a secure server, with password protection, the Participants were also invited to designate and submit any supplementary material on a CONFIDENTIAL basis; none chose to do so. Nonetheless, many of the responses were very candid, and ICFE will use the raw information in a judicious manner.

MATRIX OF PROVIDERS

This narrative portion is a compendium of the information ICFE has collected through the Survey, internet and other publicly available information, and material otherwise made available from the providers.

The narratives should be read in conjunction with the three Tables included in the Consumer section of this Report.

Together, they provide an in-depth view including the weighted analysis of features and effectiveness of programs, presence or absence of features that are mentioned by the providers themselves, strengths in specialized areas, and gaps that became apparent during the analysis of the raw information.

RESPONDENTS

These are the companies who responded to our request to participate and who substantially completed the comprehensive survey. It is interesting to note that providers with the most prominent names in the marketplace were very responsive.

Equifax

www.equifax.com

Equifax is one of the Big Three credit reporting agencies. As might be expected their identity theft protection program, ID Patrol, is strongly focused on their primary business. The program allows you to lock and unlock your Equifax credit file in real time. There is also a component that scans the internet for activity that might be trading your personal information. This provider has CTRMS certified staff. There is also an insurance component to assist with the expense of recovery in the case of a breach. The service costs \$9.95 to \$14.95 per month, depending on selected options. Additionally Equifax is very active in assisting companies and individuals who are victims of data breaches.

FreeCreditReport.com/Experian

www.freecreditreport.com

An affiliate of another of the “Big Three” credit reporting agencies, this provider monitors all three credit reporting bureaus daily for fraudulent activity. They provide “dedicated fraud resolution assistance” and a guarantee that provides reimbursement for

certain related expenses. Virginia Surety Company carries the coverage for this guarantee. Pursuant to federal law they will place a fraud alert only on their own bureau, Experian, by request only. Additionally their fraud resolution representatives are bonded. This provider offers customized solutions to the victim of a commercial data breach. Prices for the consumer product range from \$4.95 per month to \$29.95.

FNB Merchants/Secure Identity Systems

www.secureidentitysystems.com

This provider appears to be focused on client retention for financial institutions, monitoring and recovery services for families, and plans for employees of businesses, as well as assistance in the event of a breach of protected information. The services featured are “Total ID Monitoring,” an anti-phishing service, “Managed Resolution,” and an insurance component. They also offer educational prevention information via their website. They have Certified Identity Theft Risk Management Specialists (CITRMS) on staff. They will place a fraud alert or a credit freeze for the consumer only by request. As well as credit files they monitor other public access databases on their customer’s behalf. Pattern changes in credit file activity are considered a reportable event and the customer is notified within 24 hours. This provider monitors and will report activity not included in credit files. In the event of a breach, a resolution advocate is assigned to assist the consumer through the resolution process. The consumer is expected to participate in a significant portion of the resolution process. This provider does extensive annual background checking of their staff. They also work with holders of protected information in the event of a breach. Their plan for individuals is priced at \$6.95 per month or for families at \$12.95 per month. Pricing for businesses is quoted by application.

Fraud Prevention Institute

www.fraudpreventioninstitute.org

This provider specializes in medical fraud prevention. They have Certified Fraud Examiners on staff and are members of the International Association of Certified Fraud Examiners. They are a 501 (c) 3 nonprofit. They monitor medical and pharmacy records for signs of fraud. They also examine third party payor records. This provider uses a predictive model that examines the use (or misuse) of pharmaceuticals to detect medical identity theft. They evaluate their results through federal felony conviction rates which at times approach 100%. The staff undergoes background and fingerprint checking. This provider works with both consumers and the holders of protected information. This company also does public seminars to educate the consumer on medical identity theft. There is normally no charge for the services.

Intelius/ID Watch

www.intelius.com

This is a multifaceted provider that does background checks, people searches and other research tasks. As part of their protection services they offer identity theft protection called ID Watch. They create an identity profile for the client and then monitor it to discover breaches. This service costs between \$4.95 per month and \$9.95 per month depending on the length of the commitment. There is a \$25,000 insurance component to deal with the expense of recovery services.

Intersections/ Identity Guard

www.intersections.com

Intersections provides identity theft protection services using the marketing name Identity Guard. Survey information indicates a much richer solution that includes public record monitoring, application and address change monitoring and software that protects the client from internet threats such as keylogging and other spyware. The company also uses a proprietary activity calculator model to analyze compromised identities in assisting the recovery process. Notification of an event is within 24 hours of discovery. This product costs \$14.99 per month with the first month free. The company also offers a wide array of services that are indirectly involved with identity protection. Business services comprise an important part of the Intersections activities in the area of Identity Theft risk management.

Bearak Reports dba Identity Force

www.identityforce.com

“Identity Force provides a complete package of identity protection and credit monitoring to consumers, enterprise customers and state and federal government agencies.” They also private label their services. They will place a fraud alert for a covered party by request only. This provider guarantees to restore a consumer’s identity to pre event conditions as long as the consumer meets the requirements needed to accomplish this. They expect minimal participation by the consumer other than the required forms, etc. These services are provided by licensed, bonded investigators. Their insurance component is underwritten by AIG. This provider started business doing background screening for commercial and government clients. There are two identity theft plans: Basic for \$39.95 per year and Complete for \$139.95 per year.

ID Safeguards/ID Experts

www.idexpertscorp.com

This provider's proprietary product, Fraudstop, uses technology to detect not only credit issues but public records and utilities that can be vulnerable to identity theft. This provider maintains a team of recovery experts in the event of a breach, they claim a "100% success rate" for this team. The provider describes the recovery services as "fully managed". There is also a reimbursement component of \$20,000 underwritten by AIG. Many of the recovery team hold the CITRMS certification. The Fraudstop product is available as a private branded offering. There is no indication that this provider uses a predictive model of any kind. This provider also offers complete data breach management services. This provider advocates licensing for both companies and individuals involved in the identity theft protection industry but worries that regulation might stifle innovation. This provider also offers a very basic risk assessment tool for consumers. The most popular consumer plan is \$139.95 for individuals and \$269.95 per year for families.

Identity Truth

www.identitytruth.com

This provider is unique in that they comprehensively address the potential incidents of identity theft that will not appear on the credit report as well as the more common credit related issues. They use proprietary technology using multiple databases to review the entire identity profile. Their staff holds multiple professional designations. This provider employs a data warehouse and a predictive analytical engine to produce an effective system of predictive fraud modeling. The predictive model analyzes the behavior of an identity thief to compare with the behavior of the consumer to produce an effective prevention tool. With the "earliest possible notification"™, the consumer can interact in real time with the entire process. The remediation benefit in the event of a breach can range from complete consumer involvement to employment of a case manager to drive the recovery process. Third-party professional restoration services are provided by RelyData. Charges for restoration services are based on the extent to which the consumer decides to be involved. The IdentityTruth service costs \$9.95 per month, with substantial discounts for longer term commitments.

ID Armor

www.idarmor.com

ID Armor "activates, maintains and enforces consumer rights to eliminate exposure to identity theft for \$1.99 per month" payable annually at \$23.88. They will place a fraud alert on covered parties by request only. They do not provide services directly to holders of protected information. They do not provide risk assessment for their covered parties. This provider will help their subscriber opt out of junk mail and pre-approved credit offers. They will provide a CITRMS-certified specialist to help the subscriber enforce their rights in the event of a breach. The subscriber is expected to have minimal

involvement in the recovery process. They will offer their services to the victims of a data breach. Education is limited to web content and email communication.

IT Risk Managers Inc.

www.ITRiskmanagers.com/www.myIDsite.com

This provider specializes in “proactive online educational and recovery program that includes financial reimbursement for out of pocket miscellaneous expenses.”

Management is CITRMS certified. This provider will do enterprise management both pre and post breach. The reporting is limited to credit related fraud. Licensed, bonded investigators provide recovery services. The recovery component is outsourced to AIG. Annual prices for the service range from \$12 to \$160. Often this provider’s services are offered as an employee benefit. Educational seminars are available for enterprise clients.

Kroll Fraud Solutions

www.krollfraudsolutions.com

An operating entity of Marsh & McLennan Companies, Inc., this provider offers integrated pre- and post- identity theft solutions including restoration services. The products are extensively private labeled. This provider focuses on credit fraud; non-credit discovery and restoration. Conduct pro-active searches of other databases in the event that a covered party becomes a victim of identity theft. Licensed investigators provide Restoration services. Services for enterprise breaches are available. There are several levels of service available for both consumers and enterprise clients.

LifeLock

www.lifelock.com

The primary business model for this provider is to place credit freezes on the member’s accounts with each of the three credit reporting bureaus as well as removing the names from pre-approved credit offer lists and junk mail lists. They offer a \$1,000,000 service guarantee. They offer a service called WalletLock that attempts to cancel and replace all documents and accounts in a wallet that is lost or stolen. Although the survey response indicated that they use proprietary software called eRecon-Internet to search for possible breaches, as of this date, there is no indication that this service has been implemented. Similarly, it appears that a claim that this provider will offer an identity theft score developed by an ”objective third party” who specializes in analytics for banks internationally has not yet been fulfilled. The recovery service expects the consumer will participate on a moderate level in the process. This provider offers a speakers bureau that will send a CITRMS certified speaker to address community groups at the request of the member. The cost for the service is \$110 per year per individual and \$25 per year for each child.

Relydata

www.relydata.com

This provider provides proactive identity theft protection, credit report monitoring, consumer education, and restoration services. All staff has passed the Consumer Data Industry Association Fair Credit Reporting Act (FCRA) certification examination. The primary focus of this provider is restoration services. Their restoration services are the outsourced solution for several of the major providers of identity theft protection. Since the restoration services are case by case, the pricing is as well.

TransUnion

www.transunion.com

Although TransUnion is also one of the “Big Three” credit reporting agencies, it was necessary to supplement Survey responses with additional research. Under the marketing name TrueCredit, TransUnion offers credit monitoring from all three bureaus. They will place a fraud alert only on their own files. They do not use analytic models in their work. They will private label their services but do not disclose any particulars. \$14.95 per month covers monitoring of all 3 credit reporting agencies. They offer notification within 24 hours of critical changes.

Truston

www.mytruston.com

This provider is “dedicated to helping people deal with identity theft without putting personal information at risk.” The web based MyTruston service uses a proactive identity theft product that includes free credit reports and fraud alerts. There is a complete recovery service available as well. The online services have been designed to be used by partners with a minimum of revision. The services can be unbundled and embedded on a partner site seamlessly. This service is a self guided service so the consumer monitors their identity theft solution. This service has been referred to as “TurboTax for identity theft”. The recovery service is a “prescriptive workflow” that guides the victim through the recovery process. A key to this service is they never see any personal or confidential information. They provide guidance and information. This service cost can range from free to \$10 per month.

NON-RESPONDENTS

Under the parameters of the study it was determined to invite the significant providers as well as some other companies who appeared to have a presence in the identity theft protection discussion. All the companies contacted were offered the opportunity to participate and provide direct answers to the Survey Questionnaire. The companies that are not included in the main portion of the study fall into two categories.

- There were a number of companies that were invited to participate in the study who declined to complete the survey document. Information on those companies uses information from the company websites as well as publicly available information.
- There is also group of companies who were considered for the study that did not respond to attempts to contact them for a variety of reasons. These companies are listed principally with their web site information.

Invitees who were contacted but did not respond to the survey

CSIdentity

www.csidentity.com

This provider is based in Austin, TX. This provider offers an array of monitoring services that includes sex offender records, non-credit loans and internet surveillance. The website does not specify how these monitoring services are rendered nor does it include any indication of internal security measures to protect client confidentiality. There is reference to “Cyber Agent” technology but no detail what that includes. The website does indicate that the restoration services are included. Price: \$9.95/month

Debix

www.debix.com

This provider initially agreed to participate, but chose not to complete the survey and only suggested unspecified resellers be contacted instead. The company website claims that Debix is the only provider that can prove they stop identity theft. The methodology appears to be a proprietary variation on the consumer credit freeze or fraud alert. The LoudSiren product features immediate contact with the covered party in the event of an attempt to open a new account. Business solutions are offered but require a form to be submitted. Debix offers a remediation program called Data Breach. The information offered on their web site for this product makes extensive reference to a recent survey of consumers by Javelin commissioned by Debix. While Debix claims to be the best and only solution to prevent identity theft, the service does not appear to address any of the identity theft occurrences that never appear in the credit report. Posted price is \$149 per year.

Identity Theft 911

www.identitytheft911.com

This provider provides services primarily for companies, though “crisis resolution” is also offered to individual identity theft victims (through the Identity Theft Resource Center, a third-party non-profit organization). The approach consists of three areas: Retainer Solutions provides resolution services. Database SWAT team uses the “Identity Lock” response team to respond to and repair data breaches. The third area is consulting services. Consumer education is delivered on a separate site, www.identitytheft911.org. Pricing is not mentioned on the website but appears to be priced by negotiation.

ID Watchdog

www.idwatchdog.com

The response to the survey by this provider was minimal, though the website details a full featured product that recognizes that there are many instances of identity theft that are not credit related. This provider operates on an “Identity Profile Review” system, under which the consumer’s personal information is collected, and then compared with information posted in numerous databases. According to the web site, this monitoring is only conducted monthly. “If new addresses, phone numbers or names appear in your personal records, we will notify you immediately and one of our identity theft specialists will work with you investigate these changes.” Pricing: 15 days FREE, \$19.95 a month after.

NameSafe

www.namesafe.com/

A video that starts automatically when the website comes up indicated that the founder, David Ridings, is an attorney with extensive experience in identity fraud. It appears the focus of this service is the legal prosecution of identity theft. They will provide legal representation and remediation in the event that the identity thief can be apprehended. While advising the consumer of the fact that the law provides that the consumer can place their own alerts with the credit bureaus at no cost, this service does place continuing fraud alerts. The services also will provide the member with advisories on new or changing identity theft scams. The provider also arranges for junk mail reduction. This provider has a law firm that will assist in the prosecution of an identity thief and help you restore your identity. The cost is \$9.95 per month or \$99 per year.

Trusted ID

www.trustedid.com/

This provider offers the consumer a wide variety of services including free credit reports, scanning of personal and financial information, fraud flags, review of medical identity theft, reduction of junk mail, protection against spyware and a \$1,000,000 warranty.

There is no indication on the website how these services are performed or where they are performed. There is no information on the website of the security measures this provider uses in the delivery of services. It appears that this provider is placing credit freezes on client credit files. This provider also offers corporate services that appear to be post breach. There is no indication on the website that these services are preventive in nature. Pricing is \$8.25 per month for an Individual or \$15.83 per month for the Family.

Providers that did not respond to repeated inquiries

Several other providers appear to be potentially significant through industry knowledge, Internet searches, and other research methods. Diligent efforts to contact them were unsuccessful. For purposes of inclusiveness, they appear below.

Credit Lock

www.creditlock.com

Research indicates that this provider is owned by a company named GammaWealth Strategy & Research, LLC (“GS&R”). This web site provides significant information on identity theft in the FAQ section. CreditLock carries pass-through links to several of the principal providers of identity theft risk management services as well as a proprietary “Credit Lock Down” provided by their affiliate GS&R. Interestingly, “CreditLock” appears as a trademarked name on the TrustedID web site.

Direct Defender

www.directdefender.com

This provider is located in Cape Coral, FL. The website will not respond to any navigation command. It always returns to the home page. Additionally there is a problem with the site’s security certificate. Several voice messages were left at the phone number listed on the web site, but there were no return calls.

EZShield

www.ezshield.net

This site presents primarily as a specialized check fraud prevention site. Given the widespread use of debit cards the utility of this service may be limited. There was no response to numerous attempts to contact.

GE Money

www.identitytrack.com/

Although several business names are used by this provider, efforts to make direct contact were not fruitful. According to the web site, the services are oriented toward credit report monitoring and prompt notification to the consumer of certain events, assistance from “Identity Theft Recovery Agents,” and expense reimbursement from Travelers Insurance.

The Enrollment page of this web site discloses that the provider of the monitoring and notification services is Intersections, Inc.

IdentityCare by Checks in the Mail

www.identitycare.com

This site offers identity theft recovery service for \$9.99 per year, paid in advance, in the event the consumer becomes a victim of identity theft. The enrollment is web based, and includes a “Recovery Guide that includes activation forms and instructions.” The provider promises a “Dedicated Identity Theft Recovery Advocate” to assist the victim. There is no other contact information at all on the website.

Identity Theft Prevention Institute

www.stolendata.blogspot.com

This operation seems to be a blog promoting a book by the principals. The most recent posting is from January 18, 2007. From the header of the blog: “The ID Theft Prevention Institute is a professional center for the development of policies at the federal, state, local, and corporate levels that will better protect Americans against identity threats. The Institute also develops innovative tools for educating employers and employees on safe handling of sensitive information. Research partially funded by National Science Foundation and Iowa State University Center for Information Protection. Directors Dr. Steffen Schmidt and Michael McCoy.” Mr. McCoy is a Certified Identity Theft Risk Management Specialist (CITRMS), certified by the ICFE.

Myfico.com

www.fairisaac.com

Fair Isaac has a broad variety of credit report monitoring and related services available from “Free Trial” to \$4.95 per month (\$49.95 annual), to \$8.95 per month (\$89.95 annual), plus several add-on options. TransUnion and Equifax are the providers of the credit reports. The quarterly monitoring service includes resolution assistance and insurance coverage up to \$25,000 underwritten by St. Paul Travelers. Business solutions are also available to address data breach situations; prices are negotiable. Numerous attempts were made to connect with this organization, to no avail.

ACCESS TO ADDITIONAL INFORMATION ON THE SURVEY AND
PROVIDER CONTACT INFORMATION

Upon request and evaluation, under the sole discretion of ICFE, interested parties may be provided access to additional information.

Such information may include further details on the methodology, questionnaire, and contact information for the companies that were considered for inclusion, those contacted and invited to participate, those who responded, and other relevant information.

ABOUT THE INSTITUTE OF CONSUMER FINANCIAL EDUCATION

The ICFE www.icfe.info was founded in 1982 by the late Loren Dunton (creator of the “certified financial planner” (CFP) designation) and it is dedicated to helping consumers of all ages to improve their spending, increase their savings accumulation and use credit more wisely. The ICFE trains and certifies Personal Finance Instructors for its own curriculum, “The Money Instruction Book.” It also professionally trains Certified Credit Report Reviewers and Certified Identity Theft Prevention Risk Management Specialists.

The ICFE is an award winning, nonprofit, public education organization that has helped millions of people through its education programs and resources. It publishes the Do-It-Yourself Credit File correction Guide which is now in its 22nd printing. The ICFE has distributed over one million “Credit/Debit Card Warning Labels” and “Credit/Debit Card Sleeves” world wide.

The ICFE became an official partner with the Department of Defense/Financial Readiness Campaign in June of 2004. Since 2005, ICFE has certified over 5,000 individuals as CCR, CITRMS and Instructor qualified professionals who are employed by a wide range of organizations including financial institutions; mortgage, real estate, and financial services firms; corporations; law enforcement, US military and other government agencies. Many others are privacy and security practitioners and consultants.

The Institute of Consumer Financial Education 2008 Identity Theft Risk Management Survey and Report initiative was headed by Yan Ross, CITRMS®, ICFE’s Project Manager for the Certified Identity Theft Risk Management Specialist Program. Special thanks go to Evan Whalley, CITRMS®, of Desert Solutions, LLC, for his participation in this initiative.

ABOUT THE SPONSOR

IdentityTruth is the leading provider of a new breed of service to help consumers safeguard their Privacy and Identity. Through innovative technology, individuals receive the earliest possible notification™ in advance of potential misuses of their identities so they can take better control. Early detection is the best protection. IdentityTruth is a privately held, VC- funded company headquartered in Waltham, Massachusetts.